



Guidelines for National and Regional Group Reports

The majority of the National and Regional Groups follows the Guidelines for the arrangement of their Reports and thereby contributes to a quicker and cheaper printing of the Summary Yearbooks. We are most grateful for this support and would like to draw your attention to following Guidelines:

- 1) The National and Regional Groups are responsible for the contents, spelling and trilingual summaries in their Reports. The texts will normally be printed without further correction.
Please avoid sending us full translations of the Group Reports. Summaries in the two other languages will be sufficient.
- 2) Drafts cannot be accepted. Please only send final versions.
- 3) Please deliver your Reports by e-mail only. Our address is: mail@aippi.org. If you cannot provide the Reports by e-mail please contact us.
- 4) Please rewrite/include the questions in your Reports.
- 5) Please try to stick to a clear and simple presentation of the Group Reports without too many sub-paragraphs.
- 6) Please avoid too many and long footnotes.
- 7) We shall not be able to publish extracts of National Laws as Annexes. If necessary please make a reference to the laws in questions (websites).

For further questions concerning the presentation of Group Reports you are kindly invited to contact the AIPPI General Secretariat at mail@aippi.org.

Please make sure that your Reports are sent before **February 1, 2005**.

AIPPI General Secretariat, Zurich

Working Guidelines

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Question Q188

Conflicts between trademark protection and free speech

Introduction

- 1) Free speech is a value which is protected in most countries. The right to freedom of speech includes the right to express one's thoughts and views without interference and to seek, receive and impart information and ideas. It protects criticism, parody, satire and other forms of expression and social discourse.
- 2) Some years ago, the subjects of trademark protection and freedom of expression seemed not to intersect with any frequency. The traditional requirement of having to establish likelihood of confusion limits judicial intervention to instances in which the mark is used to misrepresent the source of goods and services. The regulation of such deceptive or misleading use of marks generally presents less constitutional difficulties. However, trademarks are increasingly utilized as a vehicle for the communication of ideas, and trademark owners seek protection – beyond deceptive and misleading use of the mark – against dilution and tarnishment. Recent years have, therefore, witnessed an upsurge in the number of reported cases in which trademark protection on the one hand and free speech interests on the other hand have collided.
- 3) For instance, in one recent French case the defendant Greenpeace had criticised ESSO by portraying its word mark as E\$\$O. The Cour d'appel de Paris ruled that a constitutional entitlement to free speech should not be inhibited by the exercise of trademark rights unless it was absolutely necessary to do so (*Association Greenpeace France v. SA Société Esso*, PIBD 2003, No. 766 - III - 323). In another case, the Danish band Aqua had parodied the Barbie doll in the song "Barbie Girl". Mattel sued for infringement of the "Barbie" trademark in the United States; but the court disposed of the claim arguing that the song's parody of the Barbie image and its social commentary is protected speech (*Mattel Inc. v. MCA Records Inc.*, 296 F. 3d 894 (9th Cir. 2000)).
- 4) Freedom-of-speech arguments are not always successfully invoked to justify the unauthorised use of another's trade mark. For instance, in Germany the use of the MARS and NIVEA trademarks on condom packers and stickers advertising them respectively was regarded as infringing use, since the infringing products could have been taken as advertisements for the plaintiff's goods (*Markenverunglimpfung I*, BGH, I ZR 79/92, GRUR 1994, p. 808; *Markenverunglimpfung II*, BGH, I ZR 130/92, GRUR 1995, p. 57). In another case in South Africa, the parody of the BLACK LABEL beer trademark in the T-shirt slogan "Black Labour-White Guilt" was found to infringe the trademark (*South African Breweries International (Finance) BV v. Laugh It Off Promotions*, WTLR, May 28, 2003 (HC)).
- 5) This question seeks to examine national and international legislation and case law in respect of conflicts between trademark protection and free speech. In addition, this question seeks to encourage proposals for balancing trademark owner's interests and defendant's freedom of expression concerns.

Previous work of AIPPI

- 6) AIPPI has not specifically considered the question of conflicts between trademark protection and free speech before. At the Executive Committee Meeting in Lisbon 2002 AIPPI considered the issues of parody and use of another's mark as a badge of loyalty or allegiance in Q168 (use of a mark "as a mark" as a legal requirement in respect of acquisition, maintenance and infringement of rights) and resolved that the use of trademarks in parody and by fan clubs and supporters should be subject to the same analysis as other trademark use (Yearbook 2002/1, pages 545-546). These issues are also relevant in the context of this question. However, Q168 focussed on use of a mark "as a mark" as a legal requirement in respect of infringement of rights. This question Q188 looks at the collision between free speech and trademark protection which issue only arises in the event the use of trademarks in parody and by fan clubs and supporters is considered use of a mark "as a mark".
- 7) A further AIPPI study which is relevant is Q100 (protection of unregistered but well-known trademarks and protection of highly renowned trademarks). At the Executive Committee Meeting in Barcelona 1991 AIPPI resolved that marks having a reputation are not only infringed if they are used in respect of identical or similar goods and services, but also if their reputation is taken undue advantage of or tarnished (Yearbook 1991/1, pages 295-297). At the Executive Committee Meeting in Amsterdam 1989 AIPPI considered the question of whether the trademark owner should be entitled to relief against non-confusing use in Q95 (Non-confusing use of another's trademark; Yearbook 1989/II, pages 318-322).

Discussion

Freedom of speech

- 8) The right to freedom of speech is guaranteed by international instruments and national constitutions. At international level, Article 19 of the Universal Declaration of Human Rights, Article 19 of the International Covenant on Civil and Political Rights and Article 10 of the European Convention on Human Rights all provide that everyone has the right to freedom of expression; this right includes freedom to hold opinions without interference and to seek, receive and impart information and ideas through any media and regardless of frontiers. At national level, for instance in the United States freedom of speech is guaranteed by the First Amendment of the U.S. Constitution. It is also enshrined in the domestic law of all European countries.
- 9) Even though freedom of speech is a fundamental principle, it is not boundless; courts have frequently set limits to free speech. It is generally recognised that while speech is primarily protected from unwarranted governmental interference, free speech is also implicated when a private party calls upon a court to enforce rules of law whose effect would be to restrict or penalise expression. In other words, the government action necessary to protect freedom of speech may consist of accepting freedom-of-speech arguments as a defense in trademark infringement litigation.

Criticism of another's mark and derogatory reference to another's mark

- 10) If one looks at examples drawn from case law free speech issues arise in trademark litigation in a number of areas. For instance, trademarks are used to criticise or speak ill of another's goods and services or to protest against a company's policies. This kind of scenario frequently appears in the context of the Internet which makes it easy and accessible for people to openly criticise companies and corporations in front of thousands of people. In one French case the owner of the French registration of the trademarks DANONE objected to the unauthorised use of its marks on the jeboycottedanone.net website in the context of attacks on the company's commercial and employment policy. The Tribunal de Grande Instance de Paris agreed that the right of freedom of speech protected the defendant's right to use the word mark DANONE, but did not entitle the defendant to make use of that company's word-and-device

marks (*Sté Gervais Danone v. Société Le Riseau Voltaire, Société Gandhi, Valentin Lacambre*, [2003] ETMR 321). The defendant's free speech argument fully prevailed on appeal (*Sté Gervais Danone v. Société Le Riseau Voltaire, Société Gandhi, Valentin Lacambre*, WLTR, July 14, 2003).

- 11) Conflicts between free speech on the Internet and trademark protection are also present in the context of so-called "sucks" sites. In the United States, for instance, one unhappy customer launched a www.chasebanksucks.com website after Chase Manhattan Bank erroneously billed his credit card. Recent US case law has shown that the unauthorised registration of "sucks" domain names, in which the word "sucks" is appended to a registered trademark, will be protected as an exercise of the constitutional right of freedom of speech so long as that use is not commercial in nature. In contrast, in Germany the unauthorised registration of the www.scheiss1-t-online.de domain name by a disgruntled customer of Deutsche Telekom was found to infringe the registered trademark "T-Online" even though the use of that trademark was not commercial in nature. The Landgericht Düsseldorf noted that a mere disparagement of the plaintiff's trademark could not be justified by a freedom-of-speech argument as there was no humour or irony involved to redeem the situation (Case 2a O 245/01, January 30, 2002).

Parody, satire and irony

- 12) Parodying or satirising trademarks can be another means of making an economic, environmental, political or social point. The use of trademarks in parody was already considered in Q168, but is also relevant for this question Q188 in case the use of the parodied mark can be considered use of a mark "as a mark". The already mentioned parody of the BARBIE trademark in the 1997 song "Barbie Girl" of the Danish band Aqua is a case in point. In another case in Germany, the then-current version of the Deutsche Telekom logo consisting of a letter "T" and a set of dots was parodied by the defendant who produced postcards bearing the legend "Toll! Alles Wird Teurer! (Great! Everything is getting more expensive!)", the word "Teurer" (more expensive) being represented in the style of Deutsche Telekom's mark. Deutsche Telekom sued for trademark infringement, but the court held that there was no infringement since the defendant attempted to engage the plaintiff in a public debate about its pricing structure by poking fun at its mark ([1999] ETMR 49 (KG Berlin Court of Appeal)). The Court reviewed earlier German decisions on trademark disparagement and concluded that parody could serve as a defence even if a competitive relationship existed between the parties. However, where there is no humour, there appears to be no defence in Germany, as shown by the already mentioned T-Online case. Parodies can also appear in the context of comparative advertising. One notable example in the United States concerned the Budweiser beer slogan "where there's life ... there's bud". Defendant, a household pesticide manufacturer, promoted a pesticide-bearing floor wax in a television commercial proclaiming "where there's life ... there's bugs". The defendant's slogan was found to tarnish the Budweiser mark even if no competitive relationship existed between the parties; the danger to Budweiser's goodwill lay in the possibility that the public mind would ultimately associate plaintiff's beer with pesticide (*Chemical Corp. of America v. Anheuser-Busch, Inc.* 306 F.2d 433 (5th Cir. 1962)).

Artist's use of another's mark

- 13) Trademarks may also be used and transformed by artists in order to criticise such symbols and comment on society. The issue of artistic speech is closely related to parody. In one case in the United States, the trademark owner sought to stop artist Tom Forsythe from using the barbie-doll in an award-winning series of photographs that comments on the Barbie doll and the values it represents. Mattel sued for trademark infringement; but the court disposed of the claim

¹ The German word "Scheisse" translates into "shit", "crap".

arguing that the artist's use of the Barbie image is protected speech (*Mattel v. Walking Mountain Productions*, 9th Cir., December 22, 2003).

Using another's trademark as a badge of loyalty or alliance

- 14) This question was considered by the ECJ in the hotly debated Arsenal case, following a reference from the English High Court. The issue was already considered in Q168. In brief, the High Court did not find trademark infringement. It considered that the use of the mark is not even a trademark use. Putting the word ARSENAL onto a football scarf was the use of the word as a badge of loyalty, not as a badge of origin (*Arsenal Football Club plc v. Matthew Reed* [2001] ETMR 860). The ECJ rejected the notion that the unauthorised use of a trademark had to be as a badge of loyalty or as a badge of origin: there was no reason why the same use could not be both. So far as it was the use of another's trademark as a badge of origin, it was an infringing use (*Arsenal Football Club plc v. Matthew Reed*, Case C-206/01, November 12, 2002). However, the ECJ – and, therefore, Q168 – did not address the situation where a street vendor sells scarves and other goods portraying the phrase “I am an ARSENAL fan.” The question is whether the use of “ARSENAL” in “I am an ARSENAL fan” is – to the extent that it can be considered use of a mark “as a mark” – part of the expression of a communicate message and, thus, protected by the principle of freedom of speech.

Using another's trademark for the purposes of comparison, point of reference, description, identification or to convey information about the characteristics of defendant's own product

- 15) If the right to freedom of expression is considered to include the seeking, receiving and imparting of information, using another's trademark for the purposes of comparison, point of reference, identification or any other such purpose may also be protected by the principle of free speech. This approach was followed in an Indian case in which the electronics company Philips made use of marks of the International Cricket Council. The High Court of Delhi did not only find that this use was descriptive, it even found that Philips' promotion was constitutionally protected by freedom of commercial speech (*ICC [Development] International v. Philips*, January 31, 2003).
- 16) A different approach is generally followed in Europe: In a case involving the use of a trademark for the purpose of referring to its proprietor's goods and services, the Cour d'appel de Paris noted that the right of free speech should be regarded as addressing issues of opinion and not the use of another's mark for descriptive or identification purposes; such use is already specifically covered by trademark law itself. A typical example would be the use of another's trademark to indicate product compatibility. For instance, BMW could not prevent a supplier of spare parts or an automobile repair shop from using its mark (*Bayerische Motorenwerke AG [BMW] and BMW Nederland BV v. Deenik*, ECJ, Case C-63/97, February 23, 1999). Similarly, it is not an infringement to make an oral reference to a word trademark where that trademark is spoken of as the style of the product. Thus, where a trader referred to the cutting of his diamonds in the “spirit sun” style, according to the ECJ he was not infringing the SPIRIT SUN trademark registration. The use of this trademark was intended to convey information about the characteristics of these diamonds and would not have been taken by their purchaser as a representation that the diamonds were supplied or cut by the trademark owner; according to the ECJ that was not a trademark use (*Hölterhoff v. Freiesleben*, Case C-2/00, May 14, 2002). The US courts appear to follow a similar approach in relation to the use of another's mark for descriptive or identification purposes (in the United States commonly referred to as fair use). In the United States, the maker of an imitation perfume may even use the original's trademark in promoting his product (*Smith v. Chanel, Inc.*, 402 F.2d 562 (9th Cir. 1968)). Whereas in Europe and the United States cases like these are understood as involving a non-trademark use of the competitor's trademark and, therefore, the question of free speech does not arise, this may be different in other jurisdictions.

Commercial and Non-commercial Use

- 17) The Swedish Supreme Court has ruled that, where a party to litigation uses another's trademark for an end which "has a commercial purpose and ... at the same time regards purely commercial considerations as its object" will not benefit from its assertion of freedom of speech (*TV4 and TV Spartacus KB v. Bröderna Lindströms Forlags AB*). This ruling is, however, in contradiction with the general understanding that commercial speech is also entitled to constitutional protection even if it is differentiable from other forms of expression. Looking at the above examples drawn from the case law, one notes that in some cases commercial use of a trademark appears to have benefited from constitutional protection as well. For instance, in the above mentioned "*Alles wird Teurer*"-case the German Court concluded that parody could serve as a defence even if a competitive relationship existed between the parties. In the Indian case in which the electronics company Philips made use of marks of the International Cricket Council, the High Court of Delhi even found that Philips' promotion was constitutionally protected by freedom of commercial speech.
- 18) Conversely, even non-commercial use of a trademark may not always receive full constitutional protection. In the above mentioned T-Online case, for instance, the court noted that a non-commercial use of the plaintiff's trademark could not be justified by a freedom-of-speech argument if it only served to disparage the plaintiff's trademark and there was no humour or irony involved to redeem the situation.

Defamation of another and disparagement of another's trademark

- 19) There is a further issue. In some of the above mentioned cases (e.g. ESSO, BLACK LABEL, DANONE, Chase Manhattan Bank, Deutsche Telekom) the defendant's expression primarily served to attack a company's ecological or employment policy, commercial practices and the like, rather than disparaging its trademark. In many jurisdictions, the expression of defamatory words tending to prejudice another in his reputation, standing or business is also actionable as libel and slander. Irrespective thereof, the plaintiffs in these cases do not appear to have invoked the application of rules prohibiting defamation, but rather only focused on the tarnishment of its trademarks.

Questions

The Groups are invited to answer the following questions under their national laws:

1) Analysis of current legislation and case law

- 1.1) a) *What instrument of your law (eg. Constitution) guarantees the right to freedom of speech?*
b) *What does the right to freedom of speech include? Is both artistic and commercial speech protected? If so, does commercial speech have a different degree of protection?*
c) *Are also corporations or only individuals entitled to invoke freedom-of-speech arguments?*
d) *Is free speech only protected from unwarranted governmental interference, or is it also implicated when a private party calls upon a court to enforce rules of law whose effect would be to restrict or penalise expression?*
- 1.2) a) *How are free speech interests invoked in trademark litigation?*
b) *Is there a provision in your trademark law which specifically concerns the admissibility of e.g.:*
– *criticism of another's mark or derogatory reference to another's mark;*
– *parody, satire or irony;*
– *artist's use of another's mark;*

- using another's mark as a badge of loyalty or allegiance;
- using another's mark for the purposes of comparison, point of reference, description, identification, or to convey information about the characteristics of defendant's own product

to the extent that such use may be considered as an exercise of the constitutional right of freedom of speech? (Please specify in case use is understood as involving a non-trademark use in which case the question of freedom of speech does not arise).

- c) If no such provisions exist, how are free speech interests invoked in trademark litigation? Is there an "open end clause" or "fair use clause" in your trademark law which permits taking into account freedom-of-speech-arguments? If not, are there any other gateways in your trademark law to permeate free speech concerns? Or do courts apply freedom-of-speech arguments directly with reference to the constitution?
- d) How much discretion do the courts have in applying free speech concerns?

1.3) If there are trademark infringement cases in your country where defendant primarily sought to attack a company's ecological or employment policy, commercial practices and the like, do these cases also address the application of rules prohibiting defamation such as libel and slander or do they focus on the tarnishment of plaintiff's trademarks only? (The National Groups are not expected to elaborate on their country's laws prohibiting defamation.)

1.4) a) If you consider the trademark infringement cases in your country in which freedom of speech-arguments were invoked what are the criteria applied by courts for determining whether a freedom-of-speech argument is justified? How important is the reputation of the trademark in question? Does it matter whether the use of the trademark in question is non-commercial or may free speech-arguments also be invoked if the trademark use is mainly commercial in nature? Does it matter whether the use of the trademark involves an expression or social discourse of objective/considerable value or a contribution to the public debate? Is the defendant allowed to express his views in a trenchant way? Or is the defendant required to report in a balanced way or even sparingly?

If necessary, please differentiate between:

- criticism of another's mark or derogatory reference to another's mark;
- parody, satire or irony;
- artist's use of another's mark;
- using another's mark as a badge of loyalty or allegiance;
- using another's mark for the purposes of comparison, point of reference, description, identification, or to convey information about the characteristics of defendant's own product

to the extent that such use may be considered as an exercise of the constitutional right of freedom of speech (please specify in case use is understood as involving a non-trademark use in which case the question of freedom of speech does not arise).

- b) Specifically, please describe how joke articles are assessed.
- c) May using another's mark as a badge of loyalty or allegiance be considered as an exercise of the constitutional right of freedom of speech? Does it matter whether the scarves and other goods are sold to consumers? Does it matter whether the manufacturer indicates that the goods are not original?
- d) To the extent that such use may be considered as an exercise of the constitutional right of freedom of speech please specify the cases in which the defendant is entitled to use another's mark for the purposes of comparison, point of reference, description, identification or to convey information about the characteristics of defendant's own product.

2) Proposals for adoption of uniform rules

The Groups are invited to put forward any proposals for adoption of uniform rules for balancing trademark owner's interests and defendant's freedom of expression concerns. More specifically, the Groups are invited to answer the following questions:

- 2.1) a) *Should free speech interests be invoked in trademark litigation?*
- b) *If so, should there be provisions in trademark law which specifically concern the admissibility of e.g.:*
- *criticism of another's mark or derogatory reference to another's mark;*
 - *parody, satire or irony;*
 - *artist's use of another's mark;*
 - *using another's mark as a badge of loyalty or allegiance;*
 - *using another's mark for the purposes of comparison, point of reference, description, identification, or to convey information about the characteristics of defendant's own product*
- to the extent that such use should be considered as an exercise of the constitutional right of freedom of speech? (Please specify in case use should be understood as involving a non-trademark use in which case the question of freedom of speech does not arise).*
- c) *Or should there be an "open end clause" or "fair use clause" or any other gateway in trademark law which permits taking into account freedom-of-speech-arguments? Or should the courts apply freedom-of-speech arguments directly with reference to the Constitution? How much discretion should the courts have in applying free speech concerns?*
- 2.2) *In cases where defendant primarily seeks to attack a company's ecological or employment policy, commercial practices and the like, should these cases be addressed in the context of a potential tarnishment of the plaintiff's trademarks or should rules prohibiting defamation such as libel and slander be applied?*
- 2.3) a) *Should there be limits to free speech in a trademark infringement context?*
- b) *If so, what should be the criteria be for determining whether a freedom-of-speech argument is justified? How important should the reputation of the trademark in question be? Should it matter whether the use of the trademark in question is non-commercial or should defendant also be entitled to invoke free speech-arguments if the trademark use is mainly commercial in nature? Should it matter whether the use of the trademark involves an expression or social discourse of objective/considerable value or a contribution to the public debate? Should the defendant be allowed to express his views in a trenchant way? Or should the defendant be required to report in a balanced way or even sparingly?*
- If necessary, please differentiate between:*
- *criticism of another's mark or derogatory reference to another's mark;*
 - *parody, satire or irony;*
 - *artist's use of another's mark;*
 - *using another's mark as a badge of loyalty or allegiance;*
 - *using another's mark for the purposes of comparison, point of reference, description, identification, or to convey information about the characteristics of defendant's own product*
- to the extent that such use should be considered as an exercise of the constitutional right of freedom of speech? (Please specify in case use should be understood as involving a non-trademark use in which case the question of freedom of speech does not arise).*
- c) *How should joke articles be assessed?*

- d) *Should using another's mark as a badge of loyalty or allegiance be considered as an exercise of the constitutional right of freedom of speech? Should it matter whether the scarves and other goods are sold to consumers? Should it matter whether the manufacturer indicates that the goods are not original?*

- e) *To the extent that such use should be considered as an exercise of the constitutional right of freedom of speech please specify the cases in which the defendant should be entitled to use another's mark for the purposes of comparison, point of reference, description, identification or to convey information about the characteristics of defendant's own product.*

National Groups are invited to comment on any additional issue concerning conflicts between trademark protection and free speech which they find relevant.

Note:

It will be helpful and appreciated if the Groups follow the order of the questions in their Reports and use the questions and numbers for each answer.